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FM AMEMBASSY MONTEVIDEO
TO SECSTATE WASHDC 9373

UNCLAS MONTEVIDEO 000554

DEPT FOR OPIC - RGREENBERG

SIPDIS

E.O. 12958: N/A
TAGS: [EINV](#) [UY](#)
SUBJECT: INITIAL REVIEW OF MICROFIN URUGUAY FOR PROPOSED OPIC
FINANCING

REF: State 96859

¶1. In response to reftel, emboffs spoke with Microfin Uruguay's General Manager, Antonio Martinez (CPA).

Microfin Uruguay Shareholders include:

- ACP Peru (Mi Banco) <http://www.grupoacp.com.pe/>
 - Corporacion Andina de Fomento since February 2009
 - FOMIN/IDB (not official yet, to be signed in October 2009)
- ¶2. Microfin Uruguay has also been working with the World Bank and wants to investigate other USG-connected funding sources. Martinez is travelling to Peru next week and said that he is going to check with U.S. Embassy Lima since ACP has good connections there. At an event in Lima next week, Microfin UY will be given an award for the best micro financing bank of 2009, according to Martinez.
- ¶3. The company started business in March 2008. It provides cash credit with and without collateral for urban and rural clients - for business as well as for improving quality of life. It has approximately 1,000 clients who utilize 30-day cash credits. Total current lending is around USD 1.8 million, or about USD 1,800 per client. Martinez reported a seven percent default rate.
- ¶4. An Embassy check with the local better business bureau equivalent discovered that Microfin Uruguay began originally with a different name -- Sierra de Luna S.A -- in September 2007 and changed to Microfin Uruguay in September 2008.
- ¶5. Microfin's website can be accessed via <http://www.microfin.com.uy/>